Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of Deployment of Wireline Services Offering Advanced Telecommunications Capability	CC Docket No. 98-147

COMMENTS OF VERIZON[1]

The Commission should make it clear that section 51.323(k)(2) of the Commission's rules does not prohibit the incumbent local exchange carriers from requiring installation of point of termination ("POT") bays in collocation arrangements. A POT bay is not an "intermediate interconnection arrangement," which is all that the rule prohibits. Rather, it is a "direct connection to the incumbent's network," which the rule specifically requires. A POT bay provides an essential demarcation point between the facilities of the incumbent local exchange carrier and the collocator for purposes of installation and testing. To remove any uncertainty, the Commission should clarify its rules to explicitly state that an incumbent local exchange carrier may require installation of a POT bay in a collocation arrangement, and that the collocator has the option of installing the POT bay itself or of ordering the POT bay from the incumbent.

[1] The Verizon telephone companies ("Verizon") are the affiliated local telephone companies of Verizon Communications Inc. These companies are listed in Attachment A.

I. The Commission Previously Has Expressly Allowed Incumbent Local Exchange Carriers To Require POT Bays.

The Commission previously has expressly allowed the incumbent local exchange carriers to require installation of POT bays in collocation arrangements, and there is nothing in section 51.323(k)(2) that prohibits it.

In the *Physical Collocation Tariff Order*, the Commission allowed the incumbent local exchange carriers to require installation of POT bays in collocation arrangements, finding that it is "an effective physical demarcation point between the respective networks to which the parties may physically connect their respective cables, and at which trouble may be isolated and responsibility for repair may be determined." *Local Exchange Carriers' Rates, Terms, and Conditions for Expanded Interconnection Through Physical Collocation for Special Access and Switched Transport*, 12 FCC Rcd 18730, ¶ 106 (1997) ("*Physical Collocation Tariff Order*"). A POT bay is a passive terminal block that segregates the incumbent local exchange carrier's facilities from the collocator's, similar to the terminal blocks used as the network demarcation in customer premises outside of the central office. ***See*** id., ¶ 104. The incumbent local exchange carrier terminates its facilities on one side of the block, and the collocator terminates its cables on the other side of the block. The Commission required incumbent local exchange carriers to permit collocators the option of either providing the POT bays themselves in their collocation space or purchasing this equipment from the incumbent local exchange carriers. ***See*** id., ¶ 110. The Commission also required the carriers to tariff the POT bay as a separate rate element. ***See*** id., ¶ 113. Although this order dealt with expanded interconnection under the federal tariffs, the Commission found in the *Local Competition Order* that the expanded interconnection policies generally apply as well to collocation under section 251(c)(6) of the Act except as modified to

meet the specific provisions of that section. ***See*** *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, 11 FCC Rcd 15499, ¶¶ 565-66 (1996) ("*Local Competition Order*").

In the *Advanced Services Order*, the Commission adopted additional collocation rules specifically to address section 251 requirements and to stimulate competition for advanced services. ***See*** *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, 14 FCC Rcd 4761 (1999) ("*Advanced Services Order*"). In that proceeding, some of the commenters argued that the Commission should prohibit the use of POT bays, contrary to its previous findings. ***See*** id., n.104. The Commission rejected this proposal, and instead adopted a different rule that incumbent local exchange carriers "may not require competitors to use an intermediate interconnection arrangement in lieu of direct connection to the incumbent's network if technically feasible, because such intermediate points of interconnection simply increase collocation costs without a concomitant benefit to incumbents," which it codified in section 52.323(k)(2). Id., ¶ 42. Such arrangements would place an intermediate distribution frame between the POT bay and the main distributing frame. An intermediate distribution frame is a frame where tie pairs are chosen and cross-connects are performed one at a time as service orders are received. In contrast, the POT bay provides a hard-wired direct "interface between the interconnector's facilities and the LEC's facilities" (*Physical Collocation Tariff Order*, ¶ 106) that section 51.323(k)(2) requires.

If the Commission had intended to reverse its previous ruling and prohibit POT bays, it would have used that term, rather than the term "intermediate interconnection arrangement." It also would have had to provide a reason for departing from its existing rule, including an

explanation of why its previous finding that POT bays provide benefits to the incumbent and to interconnecting carriers was no longer true. ***See*** *Motor Vehicle Manufacturers Ass'n v. State Farm Mutual Automobile Ins. Co.*, 463 U.S. 29, 42 (1983) ("an agency changing its course by rescinding a rule is obligated to supply a reasoned analysis for the change"). There is nothing in the *Advanced Services Order* that indicates an intention to reverse the POT bay rule or that addresses the Commission's previous findings. This creates a strong presumption that the Commission did not engage in a *sub silentio* reversal of its existing rule.

Both the local exchange carriers and the state commissions interpreted the *Advanced Services Order* as retaining the POT bay rule. For example, when Verizon filed state tariffs to implement the new rules in that order, its tariffs included the requirement for a POT bay, to be installed, at the collocator's option, either by Verizon or by the collocator itself. The New York Public Service Commission specifically approved the inclusion of this requirement in the tariff, rejecting arguments that POT bays are intermediate points of interconnection that violate the *Advanced Services Order*. The New York commission stated that "[a POT bay] is a reasonable arrangement allowing the points of demarcation for the CLECs to be in one area and facilitating access by BA-NY for installation and test purposes." *Order Directing Tariff Revisions*, New York Public Service Commission, Case No. 99-C-0715 and 95-C-0657, p. 13 (Aug. 31, 1999). And the FCC itself subsequently held that Bell Atlantic's collocation offering complied with the Commission's rules, including the *Advanced Services Order*; stating that "[a]fter reviewing the record, we are persuaded by the New York Commission that Bell Atlantic is meeting its collocation obligations. Bell Atlantic revised its tariffed collocation offering to make it

consistent with our *Advanced Services First Report and Order*."[2] In addition, in a pre-merger audit of Verizon's collocation tariff, the accounting firm of Ernst &Young reviewed Verizon's collocation tariffs, including the requirement for installation of POT bays, and found that the tariffs complied with the Commission's collocation rules and *Advanced Services Order*. ***See*** Independent Accountant's Report, Ernst & Young LLP (filed June 26, 2000).

Despite these clear endorsements of Verizon's POT bay requirements, Verizon filed a letter with the Commission on December 19, 2001 seeking further clarification of this issue, because of the results of a post-merger audit of Verizon's compliance with the collocation rules by the accounting firm of Arthur Andersen. The audit cited Verizon's requirement for a POT bay as a "noncompliance" issue, but this contradicted the findings of both the New York state commission and the Commission itself. ***See*** Collocation Examination, CC Docket No. 98-184, Arthur Andersen LLP, p. 2 (filed Jan. 29, 2001).

To eliminate the uncertainty caused by the existing rule, the Commission should make it clear in this proceeding that the section 51.323(k)(2) rule prohibiting "intermediate interconnection arrangements" does not stop an incumbent local exchange carrier from requiring installation of POT bays. Alternatively, the Commission should amend section 51.323(k)(2) to explicitly state that the rule does not prohibit a requirement to install POT bays, providing that the collocator has the option to install the POT bay itself or request that the incumbent install it.

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[2] *New York 271 Order*, 15 FCC Rcd 3953, ¶ 74 (1999). ***See also*** ¶ 73 ("Bell Atlantic has demonstrated that its collocation offering in New York satisfies the requirements of sections 271 and 251 of the Act").

II. POT Bays Are "Direct Connections" To The Incumbent Local Exchange Carrier's Network That Are Essential For The Timely Provisioning And Repair Of Facilities To Collocation Arrangements.

Regardless of whether the Commission clarifies or amends its rules, it should continue to allow the incumbent local exchange carriers to require the use of POT bays in collocation arrangements. Whether the POT bay is installed by the company or by the collocating carrier, it performs the same necessary functions as (1) a demarcation point between the two networks; and (2) a test point for isolating troubles as either being in the company's facilities or the collocator's. It is similar to the network interface at a customer's premises that is required by section 68.105 of the Commission's rules, which functions as the demarcation point between the carrier's network and the customer's wiring and equipment. It is the point at which the collocator also obtains a direct connection to the incumbent's network, which ends at the POT bay.

When an incumbent local exchange carrier prepares a collocation arrangement, it installs facilities between its distributing frames and the collocation arrangement's POT bay in advance according to the types and amounts of facilities requested by the collocator. It hard-wires those facilities to the POT bay and tests them for continuity to the frame. This activity is not dependent on when the collocator installs its equipment. The collocator subsequently hard-wires connections from its equipment to its side of the POT bay. This configuration requires no further coordination between the parties in completing their respective network installations. At that point, the only activity necessary to connect an unbundled loop to the collocator's equipment is a cross-connection at the main distributing frame. No cross-connection or other work is required at the POT bay.

The POT bay is necessary to minimize the physical work required to complete a circuit, and it serves as a test point to isolate trouble reports between the interconnected networks. A

clear point of demarcation delineating network provider responsibility has been the standard industry practice developed by the Network Operations Forum since the time of the Bell system divestiture. Since the repair personnel of the company and the collocator typically are not at the premises at the same time, the POT bay allows each party to isolate its network and to prove the direction of the trouble without the other party being present. Since the physical collocation rules prohibit the incumbent local exchange carrier from working on the collocator's equipment, the POT bay allows the incumbent to test circuits back to the main distributing frame and isolate trouble conditions without disturbing the collocator's equipment.

In addition, the POT bay facilitates collocator control over the assignment of facilities between the collocation arrangement and the Verizon distribution frames. When the POT bay is used, all of the necessary operational support system work, cable installation testing, and stenciling of the cables for identification purposes can be performed without the collocator being present. These activities ensure that the cabling is terminated correctly and tested after installation, that the cables are properly identified for both the collocator and Verizon technicians, and that the Operational Support Systems are updated and ready to accept orders. This activity is all completed prior to the collocator accepting the space and beginning the installation of their equipment. When the collocator installs its own POT bay inside its collocation arrangement, the terminal blocks are independent of its equipment and all cabling are in place and ready, as described above, before the collocator installs its equipment.

The larger the number of collocation arrangements, the more important it is for operations to use the most efficient means of terminating cables to collocation arrangements. Verizon has over 7,000 collocation arrangements currently in service, and many Verizon central offices have dozens of physically collocated carriers with multiple cable terminations providing service to

their customers. This volume of collocated demand requires clearly defined points of termination in order to provide service in a reliable and timely manner. The POT bay increases both collocator and Verizon efficiency by terminating all of a collocator's cables at a single location.

The presence of a POT bay, whether it is installed by the incumbent local exchange carrier or by the collocator, is essential to the incumbent's ability to install and repair facilities to collocation arrangements as quickly as it installs and repairs facilities to its own customers.[3] For its own customers, the incumbent relies on network interfaces and pre-positioned facilities to minimize the work involved in installation and repair activities. However, without a POT bay, the incumbent would have to leave the wires loose in the collocation arrangement and wait for the collocator to install its equipment. At that time, the incumbent would have to jointly install and test the facility to establish continuity from the frame to the collocator's equipment. The incumbent would also have to coordinate these activities with the collocator rather than allowing each party to perform its work at its own convenience. Similarly, when a collocator reported a trouble, which could not be isolated at a POT bay, the incumbent would have to work cooperatively with the collocator to remove the facility from the collocator's equipment and test it. For both installation and repair, the incumbent would have to do much of the work with the collocator present, which could add additional delay due to the need to coordinate schedules.

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[3] Without a POT bay, Verizon in particular would be hindered in meeting the standards contained in its various performance assurance plans regarding the timely installation and repair of unbundled network elements, such as those included in its federal plan adopted in connection with the Bell Atlantic/GTE merger. ***See*** *Application of GTE Corp. and Bell Atlantic Corp. for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License*, 15 FCC Rcd 14032 (2000), Appendix D, Attachment A.

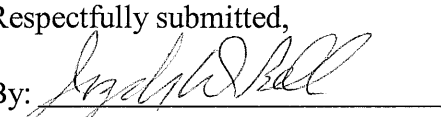
With the POT bay, each party can do its work separately, and the collocator can install and maintain its equipment without an escort. Without the POT bay, both incumbent and the collocator would not be able to perform their own work as quickly and efficiently as possible.

For these reasons, the Commission's finding that an "intermediate interconnection arrangement" does not provide a "concomitant benefit to the incumbents" clearly does not apply to the POT bay, which provides substantial benefits to both the incumbent local exchange carrier and the collocators. The Commission should make it clear that its rules permit POT bays, which are essential demarcation points between the incumbent's network and the collocator's.

Conclusion

For the foregoing reasons, the Commission should either clarify or amend its rules to explicitly permit the incumbent local exchange carriers to require that POT bays be used in collocation arrangements.

Respectfully submitted,

By: 

Joseph DiBella
1515 North Court House Road
Suite 500
Arlington, VA 22201-2909
(703) 351-3037
joseph.dibella@verizon.com

Attorney for the Verizon
telephone companies

Of Counsel
Michael E. Glover
Edward Shakin

Dated: March 25, 2002

ATTACHMENT A

THE VERIZON TELEPHONE COMPANIES

The Verizon telephone companies are the local exchange carriers affiliated with Verizon Communications Inc. These are:

Contel of the South, Inc. d/b/a Verizon Mid-States
GTE Midwest Incorporated d/b/a Verizon Midwest
GTE Southwest Incorporated d/b/a Verizon Southwest
The Micronesian Telecommunications Corporation
Verizon California Inc.
Verizon Delaware Inc.
Verizon Florida Inc.
Verizon Hawaii Inc.
Verizon Maryland Inc.
Verizon New England Inc.
Verizon New Jersey Inc.
Verizon New York Inc.
Verizon North Inc.
Verizon Northwest Inc.
Verizon Pennsylvania Inc.
Verizon South Inc.
Verizon Virginia Inc.
Verizon Washington, DC Inc.
Verizon West Coast Inc.
Verizon West Virginia Inc.